



State of Wisconsin  
**Department of Health and Family Services**

Jim Doyle, Governor  
Helene Nelson, Secretary

**Managed Care for Children in Out-of-Home Care**

| Change to Base  | FY 04     |           | FY 05     |           |
|-----------------|-----------|-----------|-----------|-----------|
|                 | GPR       | All Funds | GPR       | All Funds |
| MA Expenditures | \$163,100 | \$326,200 | \$166,500 | \$333,000 |

**Description of Proposal**

- Provide for quality assurance activities and the evaluation of a new managed care program in Milwaukee for children in out-of-home care.

**Background**

- Under the current Medicaid fee-for-service delivery system there is no defined coordination of care for out-of-home children and there is difficulty obtaining medical providers willing to accept out-of-home children. Many out-of-home children have involved and complex needs and often lack accessible and adequately documented medical histories.
- The 1999-2001 Biennial Budget contained a provision requiring the Department of Health and Family Services to develop a managed care pilot program in Milwaukee County to integrate and oversee the social, behavioral, and physical health needs of children in out-of-home care. In response to this requirement, DHFS formed a task force charged with developing a model to improve the access and quality of healthcare for children in out-of-home care.
- In calendar year 2000 there were 8,057 children in out-of-home care in Milwaukee County. The total cost to provide Medicaid covered services was \$18,469,000 AF (\$7,613,000 GPR). Seventy-nine percent of out-of-home children had a mental health diagnosis. Approximately one-third of the children received medications associated with the treatment of asthma.
- Based on the recommendations of the task force, in October of 2003, the Department will implement a managed care program for out-of-home children in Milwaukee County. The program will provide improved care coordination, provider access, and more effective treatment.
- In order to ensure success of this new managed care program, administrative funding is requested to evaluate the program, implement a quality assurance/improvement program, and acquire technical staff to monitor the program and provide technical assistance.
- To implement a quality improvement program, one registered nurse is requested to plan, develop, implement, and coordinate quality improvement strategies. This person will be responsible for preparation of clinical specifications for quality indicators, preparation of reports and surveys, provision of clinical and technical consultation for the implementation of policies, and for developing training to correct deficiencies identified in the quality improvement process.
- Monitoring and technical assistance would be provided by two contract specialist positions to be located at the Bureau of Milwaukee Child Welfare to work exclusively with the managed care entities and community organizations involved with children in out-of-home care.

## **Rationale for Proposal**

- Implementation of a managed care system for out-of home children will provide improved care coordination, provider access, and more effective treatment.
- Implementation of this specialized managed health care delivery system is different from managed care programs for other populations. The administrative funding will ensure that implementation is successful
- Due to the complex legal requirements and medical needs, an evaluation needs to be conducted soon after implementation. To achieve long term success of the program, problems must be identified early in the process so that quality improvement measures may be pursued to remedy any deficiencies.
- The expenditures for program oversight can be viewed as an investment that would reduce future cost and improve the provision of \$19 million in health care services to out-of-home children. Improvements in the health and functioning of children with special needs could improve the independence and stability of these individuals as adults, thereby preventing costs in a number of other areas in the future.